

**REPORT OF THE AUDIT OF THE
ANDERSON COUNTY
FISCAL COURT**

**For The Fiscal Year Ended
June 30, 2006**



**CRIT LUALLEN
AUDITOR OF PUBLIC ACCOUNTS
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EXECUTIVE SUMMARY

AUDIT EXAMINATION OF THE ANDERSON COUNTY FISCAL COURT

June 30, 2006

The Auditor of Public Accounts has completed the audit of the Anderson County Fiscal Court for fiscal year ended June 30, 2006.

We have issued an unqualified opinion on the governmental activities, each major fund, and aggregate remaining fund information of Anderson County, Kentucky.

Financial Condition:

The fiscal court had net assets of \$6,036,576 as of June 30, 2006. The fiscal court had unrestricted net assets of \$1,429,900 in its governmental activities as of June 30, 2006. The fiscal court had total debt principal as of June 30, 2006 of \$2,521,787 with \$217,471 due within the next year.

Report Comments:

2006-1 The Fiscal Court Should Have A Written Agreement With The Bank To Protect Deposits

2006-2 The Fiscal Court Should Not Have A Negative Fund Balance

2006-3 The Fiscal Court Should Maintain Adequate Supporting Documentation For Expenditures

Deposits:

The fiscal courts' deposits were insured and collateralized by bank securities; however, the county did not have a written collateral security agreement with one of their banks.

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CRIT LUALLEN
AUDITOR OF PUBLIC ACCOUNTS

To the People of Kentucky
Honorable Steven L. Beshear, Governor
Jonathan Miller, Secretary
Finance and Administration Cabinet
Honorable Anthony D. Stratton, Former Anderson County Judge/Executive
Honorable Steve L. Cornish, Anderson County Judge/Executive
Members of the Anderson County Fiscal Court

Independent Auditor's Report

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Anderson County, Kentucky, as of and for the year ended June 30, 2006, which collectively comprise the County's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Anderson County Fiscal Court. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide for Fiscal Court Audits issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described in Note 1, Anderson County, Kentucky, prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Anderson County, Kentucky, as of June 30, 2006, and the respective changes in financial position, where applicable, thereof for the year then ended in conformity with the modified cash basis of accounting.

The county has not presented the management's discussion and analysis that the Governmental Accounting Standards Board (GASB) has determined is necessary to supplement, although not required to be part of, the basic financial statements. The budgetary comparison information is not a required part of the basic financial statement but is supplementary information required by GASB. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the budgetary comparison information. However, we did not audit it and express no opinion on it.



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Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Anderson County, Kentucky's basic financial statements. The accompanying combining fund financial statements have been presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and is not a required part of the basic financial statements. The combining fund financial statements and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation of the basic financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued our report dated February 12, 2008 on our consideration of Anderson County, Kentucky's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Based on the results of our audit, we present the accompanying schedule of findings and questioned costs, included herein, which discusses the following report comments:

- 2007-1 The Fiscal Court Should Have A Written Agreement With The Bank To Protect Deposits
- 2006-2 The Fiscal Court Should Not Have A Negative Fund Balance
- 2006-3 The Fiscal Court Should Maintain Adequate Supporting Documentation For Expenditures

Respectfully submitted,



Crit Luallen
Auditor of Public Accounts

February 12, 2008

ANDERSON COUNTY OFFICIALS

For The Year Ended June 30, 2006

Fiscal Court Members:

Anthony D. Stratton	County Judge/Executive
Bobby Peach	Magistrate
Hubert Shields	Magistrate
Juretta Wells	Magistrate
Alton Warford	Magistrate
John Wayne Conway	Magistrate
Larry Smith	Magistrate

Other Elected Officials:

Bobbi Jo Lewis	County Attorney
Joani Clark	Jailer
Harold Ritchey	County Clerk
Jan Rogers	Circuit Court Clerk
Troy Young	Sheriff
Margaret Woodside	Property Valuation Administrator
Brian Ritchie	Coroner

Appointed Personnel:

W. Dudley Shryock	County Treasurer
Donna Eckman	Occupational Tax Collector
Heather Major	Finance Officer
Todd Sparrow	911 Administrator

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ANDERSON COUNTY
STATEMENT OF NET ASSETS - MODIFIED CASH BASIS

June 30, 2006

ANDERSON COUNTY
STATEMENT OF NET ASSETS - MODIFIED CASH BASIS

June 30, 2006

	<u>Primary Government Governmental Activities</u>
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 1,429,900
Total Current Assets	<u>1,429,900</u>
Noncurrent Assets:	
Capital Assets - Net of Accumulated Depreciation	
Land and Land Improvements	1,046,901
Buildings	4,149,678
Other Equipment	214,850
Vehicles and Equipment	382,923
Infrastructure Assets - Net of Depreciation	<u>1,334,111</u>
Total Noncurrent Assets	<u>7,128,463</u>
Total Assets	<u>8,558,363</u>
LIABILITIES	
Current Liabilities	
Financing Obligations	<u>217,471</u>
Total Current Liabilities	<u>217,471</u>
Noncurrent Liabilities:	
Financing Obligations	<u>2,304,316</u>
Total Noncurrent Liabilities	<u>2,304,316</u>
Total Liabilities	<u>2,521,787</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	4,606,676
Unrestricted	<u>1,429,900</u>
Total Net Assets	<u>\$ 6,036,576</u>

The accompanying notes are an integral part of the financial statements.

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ANDERSON COUNTY
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
For The Year Ended June 30, 2006

ANDERSON COUNTY
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For The Year Ended June 30, 2006

		Program Revenues Received		
Functions/Programs Reporting Entity	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ 1,953,306	\$ 150,007	\$ 936,371	\$
Protection to Persons and Property	2,173,982	1,069,977	297,434	
General Health and Sanitation	599,906	173,606	25,695	
Social Services	37,707			
Recreation and Culture	357,171	75,645		
Roads	614,026		1,161,625	
Interest on Long-Term Debt	378,204		82,472	
Capital Projects	1,036,586			954,000
Total Governmental Activities	\$ 7,150,888	\$ 1,469,235	\$ 2,503,597	\$ 954,000

General Revenues:

Taxes:

Real Property Taxes
Personal Property Taxes
Motor Vehicle Taxes
Insurance Premium Taxes
Other Taxes

Excess Fees

Miscellaneous Revenues

Interest Received

Total General Revenues

Change in Net Assets

Net Assets - Beginning (Restated)

Net Assets - Ending

The accompanying notes are an integral part of the financial statements.

ANDERSON COUNTY
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
For The Year Ended June 30, 2006
(Continued)

Net (Expenses) Revenues
and Changes in Net Assets
Primary Government

Governmental
Activities

\$	(866,928)
	(806,571)
	(400,605)
	(37,707)
	(281,526)
	547,599
	(295,732)
	(82,586)
\$	(2,224,056)

	1,095,458
	70,147
	151,636
	905,400
	460,426
	86,691
	362,194
	17,113
	3,149,065
	925,009
	5,111,567
\$	6,036,576

The accompanying notes are an integral part of the financial statements.

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ANDERSON COUNTY
BALANCE SHEET - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS

June 30, 2006

ANDERSON COUNTY
BALANCE SHEET - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS

June 30, 2006

	General Fund	Road Fund	Jail Fund	AEMS Fund	Park Fund
ASSETS					
Cash and Cash Equivalents	\$	\$ 7,124	\$ 8,423	\$ 4,419	\$ 220,400
Total Assets	<u>0</u>	<u>7,124</u>	<u>8,423</u>	<u>4,419</u>	<u>220,400</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Cash Shortage	65,699				
Total Liabilities	<u>65,699</u>				
FUND BALANCES					
Unreserved:					
General Fund	(65,699)				
Special Revenue Funds		7,124	8,423	4,419	220,400
Debt Service Fund					
Capital Projects Funds					
Total Fund Balances	<u>(65,699)</u>	<u>7,124</u>	<u>8,423</u>	<u>4,419</u>	<u>220,400</u>
Total Liabilities and Fund Balances	<u>\$ 0</u>	<u>\$ 7,124</u>	<u>\$ 8,423</u>	<u>\$ 4,419</u>	<u>\$ 220,400</u>

The accompanying notes are an integral part of the financial statements.

ANDERSON COUNTY
 BALANCE SHEET - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
 JUNE 30, 2006
 (Continued)

Capital Outlay Fund	CDBG Fund	E-911 Cellular Fund	Communication Center Fund	Non- Major Funds	Total Governmental Funds
\$ 366,681	\$ 255,983	\$ 189,566	\$ 218,922	\$ 224,081	\$ 1,495,599
366,681	255,983	189,566	218,922	224,081	1,495,599
					65,699
					65,699
					(65,699)
	255,983	189,566	218,922	160,045	1,064,882
				23,815	23,815
366,681				40,221	406,902
366,681	255,983	189,566	218,922	224,081	1,429,900
\$ 366,681	\$ 255,983	\$ 189,566	\$ 218,922	\$ 224,081	\$ 1,495,599

Reconciliation of the Balance Sheet - Governmental Funds to Statement of Net Assets:

Total Fund Balances	\$ 1,429,900
Amounts Reported For Governmental Activities In The Statement Of Net Assets Are Different Because:	
Capital Assets Used in Governmental Activities Are Not Financial Resources And Therefore Are Not Reported in the Funds.	11,288,107
Accumulated Depreciation	(4,159,644)
Long-term debt is not due and payable in the current period and, therefore, is not reported in the funds.	
Financing Obligations	(2,521,787)
Net Assets Of Governmental Activities	\$ 6,036,576

The accompanying notes are an integral part of the financial statements.

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ANDERSON COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS

For The Year Ended June 30, 2006

ANDERSON COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS

For The Year Ended June 30, 2006

	General Fund	Road Fund	Jail Fund	AEMS Fund	Park Fund
REVENUES					
Taxes	\$ 1,600,218	\$	\$	\$	\$
Excess Fees	86,691				
Licenses and Permits	132,788				
Intergovernmental	539,333	1,050,394	80,973	10,016	
Charges for Services	163,612		23,276	878,502	59,052
Miscellaneous	224,041	25,227		33,759	18,277
Interest	7,446	792			
Total Revenues	<u>2,754,129</u>	<u>1,076,413</u>	<u>104,249</u>	<u>922,277</u>	<u>77,329</u>
EXPENDITURES					
General Government	765,014				
Protection to Persons and Property	273,037		655,478	1,079,488	
General Health and Sanitation	291,332				
Social Services	37,707				
Recreation and Culture					246,767
Roads		1,241,122			
Debt Service	45,800	78,577		163,189	203,918
Capital Projects		60,515			
Administration	<u>1,031,662</u>				
Total Expenditures	<u>2,444,552</u>	<u>1,380,214</u>	<u>655,478</u>	<u>1,242,677</u>	<u>450,685</u>
Excess (Deficiency) of Revenues					
Expenditures Before Other					
Financing Sources (Uses)	<u>309,577</u>	<u>(303,801)</u>	<u>(551,229)</u>	<u>(320,400)</u>	<u>(373,356)</u>
Other Financing Sources (Uses)					
Financing Obligation Proceeds				150,000	
Transfers From Other Funds	49,515	310,000	557,510	137,000	590,916
Transfers To Other Funds	<u>(1,025,000)</u>				
Total Other Financing Sources (Uses)	<u>(975,485)</u>	<u>310,000</u>	<u>557,510</u>	<u>287,000</u>	<u>590,916</u>
Net Change in Fund Balances	(665,908)	6,199	6,281	(33,400)	217,560
Fund Balances - Beginning (Restated)	<u>600,209</u>	<u>925</u>	<u>2,142</u>	<u>37,819</u>	<u>2,840</u>
Fund Balances - Ending	<u>\$ (65,699)</u>	<u>\$ 7,124</u>	<u>\$ 8,423</u>	<u>\$ 4,419</u>	<u>\$ 220,400</u>

The accompanying notes are an integral part of the financial statements.

ANDERSON COUNTY
 STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
 For The Year Ended June 30, 2006
 (Continued)

Capital Outlay Fund	CDBG Fund	E-911 Cellular Fund	Communication Center Fund	Non- Major Funds	Total Governmental Funds
\$ 905,400	\$	\$	\$	\$ 177,449	\$ 2,683,067
17,219					86,691
	1,527,050			267,328	150,007
			150,000		3,475,094
		67,940		18,899	1,274,442
7,416			1,459	1,340	388,143
930,035	1,527,050	67,940	151,459	465,016	18,453
					8,075,897
11,258				190,305	966,577
		46,736	93,181	116,787	2,264,707
	307,766				599,098
					37,707
76,200				8,382	331,349
					1,241,122
			42,641	79,672	613,797
	976,071				1,036,586
					1,031,662
87,458	1,283,837	46,736	135,822	395,146	8,122,605
842,577	243,213	21,204	15,637	69,870	(46,708)
					150,000
	12,770	21,070	17,049	193,000	1,888,830
(644,315)		(49,003)	(512)	(170,000)	(1,888,830)
(644,315)	12,770	(27,933)	16,537	23,000	150,000
198,262	255,983	(6,729)	32,174	92,870	103,292
168,419		196,295	186,748	131,211	1,326,608
\$ 366,681	\$ 255,983	\$ 189,566	\$ 218,922	\$ 224,081	\$ 1,429,900

The accompanying notes are an integral part of the financial statements.

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**ANDERSON COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**

For The Year Ended June 30, 2006

**ANDERSON COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**

For The Year Ended June 30, 2006

Reconciliation to the Statement of Activities:

Net Change in Fund Balances - Total Governmental Funds	\$ 103,292
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Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.

Capital Outlay	1,073,055
Depreciation Expense	(336,931)

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds while financing obligations payments are expensed in the Governmental Funds. These transactions, however, have no effect on net assets.

Financing Obligation Proceeds	(150,000)
Financing Obligations Principal Payments	<u>235,593</u>

Change in Net Assets of Governmental Activities	<u><u>\$ 925,009</u></u>
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TO THE FINANCIAL STATEMENTS**

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ANDERSON COUNTY
NOTES TO FINANCIAL STATEMENTS

June 30, 2006

Note 1. Summary of Significant Accounting Policies

A. Basis of Presentation

The county presents its government-wide and fund financial statements in accordance with a modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under this basis of accounting, assets, liabilities, and related revenues and expenditures are recorded when they result from cash transactions, with a few exceptions. This modified cash basis recognizes revenues when received and expenditures when paid. Notes receivable are recognized on the Statement of Net Assets, but notes receivable are not included and recognized on Balance Sheet - Governmental Funds. Property tax receivables, accounts payable, compensated absences, and donated assets are not reflected in the financial statements.

Encumbrances lapse at year-end and are not reflected on the Statement of Net Assets and Statement of Activities; however encumbrances are reflected on the Balance Sheet - Governmental Funds as part of the fund balance (Reserved for Encumbrances).

The State Local Finance Officer does not require the county to report capital assets and infrastructure; however the value of these assets is included in the Statement of Net Assets and the corresponding depreciation expense is included on the Statement of Activities.

B. Reporting Entity

The financial statements of Anderson County include the funds, agencies, boards, and entities for which the fiscal court is financially accountable. Financial accountability, as defined by Section 2100 of the Governmental Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting Standards, as amended by GASB 14 and GASB 39, was determined on the basis of the government's ability to significantly influence operations, select the governing authority, participate in fiscal management and the scope of public service. Consequently, the reporting entity include organizations that are legally separate from the primary government. Legally separate organizations are reported as component units if either the county is financially accountable or the organization's exclusion would cause the county's financial statements to be misleading or incomplete. Component units may be blended or discretely presented. Blended component units either provide their services exclusively or almost entirely to the primary government, or their governing bodies are substantively the same as primary government. All other component units are discretely presented. The County has no component units.

ANDERSON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2006
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

C. Anderson County Elected Officials

Kentucky law provides for election of the officials below from the geographic area constituting Anderson County. Pursuant to state statute, these officials perform various services for the Commonwealth of Kentucky, its judicial courts, the fiscal court, various cities and special districts within the county, and the board of education. In exercising these responsibilities, however, they are required to comply with state laws. Audits of their financial statements are issued separately and individually and can be obtained from their respective administrative offices. These financial statements are not required to be included in the financial statements of Anderson County, Kentucky.

- Circuit Court Clerk
- County Attorney
- Property Valuation Administrator
- County Clerk
- County Sheriff

D. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its non-fiduciary component units. For the most part, the effect of interfund activities has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on sales, fees, and charges for support. Business-type revenues come mostly from fees charged to external parties for goods or services. Fiduciary funds are not included in these financial statements due to the unavailability of fiduciary funds to aid in the support of government programs.

The statement of net assets presents the reporting entity's non-fiduciary assets and liabilities, the difference between the two being reported as net assets. Net assets are reported in three categories: 1) invested in capital assets, net of related debt - consisting of capital assets, net of accumulated depreciation and reduced by outstanding balances for debt related to the acquisition, construction, or improvement of those assets; 2) restricted net assets - resulting from constraints placed on net assets by creditors, grantors, contributors, and other external parties, including those constraints imposed by law through constitutional provisions or enabling legislation; and 3) unrestricted net assets - those assets that do not meet the definition of restricted net assets or invested in capital assets.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; 2) operating grants and contributions; and 3) capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Internally dedicated resources such as taxes and unrestricted state funds are reported as general revenues.

Generally and except as otherwise provided by law, property taxes are assessed as of January 1, levied (mailed) November 1, due at discount November 30, due at face value December 31, delinquent January 1 following the assessment, and subject to lien and sale the 3rd Saturday in April following the delinquency date.

ANDERSON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2006
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

D. Government-wide and Fund Financial Statements (Continued)

Funds are characterized as either major or non-major. Major funds are those whose assets, liabilities, revenues, or expenditures/expenses are at least ten percent of the corresponding total (assets, liabilities, etc.) for all funds or type (governmental or proprietary) and whose total assets, liabilities, revenues, or expenditures/expenses are at least five percent of the corresponding total for all governmental and enterprise funds combined. The fiscal court may also designate any fund as major.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the financial statements.

Governmental Funds

The primary government reports the following major governmental funds:

General Fund - This is the primary operating fund of the fiscal court. It accounts for all financial resources of the general government, except where the Department for Local Government requires a separate fund or where management requires that a separate fund be used for some function.

Road Fund - This fund is for road and bridge construction and repair. The primary source of revenue for this fund is state payments for truck licenses distribution, municipal road aid, and transportation grants. The Department for Local Government requires the fiscal court to maintain these receipts and expenditures separately from the General Fund.

Jail Fund - The primary purpose of this fund is to account for the jail expenses of the county. The primary sources of revenue for this fund are reimbursements from the state and federal government, payments from other counties for housing prisoners, and transfers from the General Fund. The Department for Local Government requires the fiscal court to maintain these receipts and expenditures separately from the General Fund.

AEMS Fund - The primary purpose of this fund is to account for the emergency medical response system of the county. The primary sources of revenue for this fund are AEMS Collections, borrowed funds, and transfers from the Capital Outlay Fund.

Park Fund – The primary purpose of this fund is to account for park department revenues and disbursements. The Park Fund is basically financed with insurance premium tax receipts. Other sources of revenue include facility rental, vending commissions, concession sales, and city contributions.

Capital Outlay Fund - The primary purpose of this fund is to help maintain other funds. The primary sources of revenue are insurance premium tax. The majority of the fund's money is transferred to other funds to operate their budgets.

CDBG Fund – The primary purpose of this fund is to account for federal grant receipts.

Emergency 911 Cellular Fund - The purpose of this fund is to account for wireless 911 cellular revenues and disbursements. The sole source of revenue for this fund is E-911 cellular receipts.

Communication Center Fund - The primary purpose of this fund is to account for dispatch revenue received within the county. The fund's primary source of revenue is dispatch revenue.

ANDERSON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2006
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

D. Government-wide and Fund Financial Statements (Continued)

The primary government also has the following non-major funds: Local Government Economic Assistance Fund, Court Fine Courthouse Repair Fund, Emergency 911 Fund, Park Land Acquisition Fund, and AOC Escrow Fund.

Special Revenue Funds:

The Road Fund, Jail Fund, AEMS Fund, Communication Center Fund, Emergency 911 Cellular Fund, LGEA Fund, Park Fund, Court Fine Courthouse Repair Fund, CDBG Fund and the Emergency 911 Fund are presented as special revenue funds. Special revenue funds are to account for the proceeds of specific revenue sources and expenditures that are legally restricted for specific purposes.

Capital Projects Funds:

Capital Projects Funds account for financial resources to be used acquisition of major capital facilities. The Capital Outlay Fund and the Park Land Acquisition Fund are reported as Capital Project Funds.

Debt Service Fund:

Debt Service Fund accounts for the accumulation of resources for the payment of long-term principal and interest and includes funds for the AOC Escrow Fund. This fund was established to hold money deposited by the Administrative Office of the Courts (AOC) to provide for their portion of the debt service obligation for the courthouse renovation as agreed upon in a sublease agreement with the county. AOC deposits the biannual required amount, then the trustee makes the debt service payment directly to Kentucky Association of Counties Leasing Trust (KACOLT). The county pays KACOLT for the remainder of the debt service requirement out of the General Fund.

E. Deposits and Investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposit, and short-term investments with original maturities of three months or less from the date of acquisition.

KRS 66.480 authorizes the county to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

F. Capital Assets

Capital assets, which include land, land improvements, buildings, furniture and office equipment, building improvements, machinery, equipment, and infrastructure assets (roads and bridges) that have a useful life of more than one reporting period based on the government's capitalization policy, are reported in the applicable governmental or business-type activities of the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost when purchased or constructed.

ANDERSON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2006
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

F. Capital Assets (Continued)

Cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. Land and Construction In Progress are not depreciated. Interest incurred during construction is not capitalized. Capital assets and infrastructure are depreciated using the straight-line method of depreciation over the estimated useful life of the asset.

	Capitalization Threshold	Useful Life (Years)
Land Improvements	\$ 10,000	40
Buildings and Building Improvements	\$ 25,000	40
Machinery and Equipment	\$ 5,000	10
Vehicles	\$ 5,000	10
Infrastructure	\$ 20,000	10

G. Long-Term Obligations

In the government-wide financial statements in the fund financial statements, long term debt and other long-term obligations are reported as liabilities in the applicable financial statements. The principal amount of bonds, notes and financing obligations are reported.

In the fund financial statements, governmental funds recognize bond interest, as well as bond issuance costs when received or when paid, during the current period. The principal amount of the debt and interest are reported as expenditures. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures. Debt proceeds are reported as other financing sources.

H. Fund Equity

In the fund financial statements, the difference between the assets and liabilities of governmental funds is reported as fund balance. Fund balance is divided into reserved and unreserved components, with unreserved considered available for new spending. Unreserved fund balances may be divided into designated and undesignated portions. Designations represent fiscal court's intended use of the resources and should reflect actual plans approved by the fiscal court.

Governmental funds report reservations of fund balance for amounts that are legally restricted by outside parties for use for a specific purpose, long-term receivables, and encumbrances.

"Reserved for Encumbrances" are purchase orders that will be fulfilled in a subsequent fiscal period. Although the purchase order or contract creates a legal commitment, the fiscal court incurs no liability until performance has occurred on the part of the party with whom the fiscal court has entered into the arrangement. When a government intends to honor outstanding commitments in subsequent periods, such amounts are encumbered. Encumbrances lapse at year-end and are not reflected on the Statement of Net Assets and Statement of Activities; however, encumbrances are reflected on the Balance Sheet - Governmental Funds as part of the fund balance.

ANDERSON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2006
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

I. Budgetary Information

Annual budgets are adopted on a cash basis of accounting and according to the laws of Kentucky as required by the State Local Finance Officer.

The County Judge/Executive is required to submit estimated receipts and proposed expenditures to the fiscal court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the fiscal court by July 1.

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the State Local Finance Officer. Expenditures may not exceed budgeted appropriations at the activity level.

Note 2. Deposits

The primary government maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC) as required by KRS 66.480(1)(d). According to KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the county and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. The County did not have a written security agreement with one of the banks, securing the County's interest in the collateral pledged.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a depository institution failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk but rather follows the requirements of KRS 41.240(4). As of June 30, 2006 all sufficient collateral was pledged; however, one of the banks did not have a written agreement with Fiscal Court, securing the County's interest in the collateral.

ANDERSON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2006
(Continued)

Note 3. Capital Assets

Capital asset activity for the year ended June 30, 2006 was as follows:

	Reporting Entity			
	Beginning Balance	Increases	Decreases	Ending Balance
<u>Governmental Activities:</u>				
Capital Assets Not Being Depreciated:				
Land and Land Improvements	\$ 1,046,901	\$	\$	\$ 1,046,901
Total Capital Assets Not Being Depreciated	1,046,901			1,046,901
Capital Assets, Being Depreciated:				
Buildings	7,343,995	32,638		7,376,633
Other Equipment	238,556	105,720		344,276
Vehicles and Equipment	769,384	196,413		965,797
Infrastructure	816,216	738,284		1,554,500
Total Capital Assets Being Depreciated	9,168,151	1,073,055		10,241,206
Less Accumulated Depreciation For:				
Buildings	(3,122,553)	(104,402)		(3,226,955)
Other Equipment	(94,998)	(34,428)		(129,426)
Vehicles and Equipment	(514,315)	(68,559)		(582,874)
Infrastructure	(90,847)	(129,542)		(220,389)
Total Accumulated Depreciation	(3,822,713)	(336,931)		(4,159,644)
Total Capital Assets, Being Depreciated, Net	5,345,438	736,124		6,081,562
Governmental Activities Capital Assets, Net	\$ 6,392,339	\$ 736,124	\$ 0	\$ 7,128,463

Depreciation expense was charged to functions of the primary government as follows:

<u>Governmental Activities:</u>	
General Government	\$ 71,705
Protection to Persons and Property	58,174
General Health and Sanitation	808
Recreation and Culture	34,541
Roads, Including Depreciation of General Infrastructure Assets	171,703
Total Depreciation Expense - Governmental Activities	<u>\$ 336,931</u>

ANDERSON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2006
(Continued)

Note 4. Short-term Debt

In July 2005, the County participated in the Kentucky Association of Counties Kentucky Advance Revenue Program by issuing a note in the amount of \$583,100 for its General Fund and \$172,800 for its Road Fund, with the principal being due in January 2006. While the County did not use the borrowed funds in order to meet current General Fund or Road Fund expenses, they were able to reinvest the funds and receive net interest earnings from the Kentucky Association of Counties Kentucky Advance Revenue Program of \$2,671 for the General Fund and \$792 for the Road Fund.

Note 5. Long-term Debt

A. Courthouse Annex

Anderson County entered into a \$1,448,000 lease agreement on June 24, 1997, with the Kentucky Association of Counties Leasing Trust for the construction of a courthouse annex. The agreement requires monthly interest payments and an annual principal payment due each January 20. The following schedule indicates principal and interest payments according to the original lease agreement. The outstanding principal balance was \$1,033,000 as of June 30, 2006. Future principal and interest requirements are:

Fiscal Year Ended June 30	Governmental Activities	
	Principal	Interest
2007	\$ 65,000	\$ 50,296
2008	77,000	46,796
2009	81,000	42,863
2010	85,000	38,729
2011	89,000	34,396
2012-2016	517,000	99,029
2017	119,000	3,471
Totals	<u>\$ 1,033,000</u>	<u>\$ 315,580</u>

ANDERSON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2006
(Continued)

Note 5. Long-term Debt (Continued)

B. Anderson County Park Project

Anderson County entered into a \$950,000 lease agreement on June 18, 2001, with the Kentucky Association of Counties Leasing Trust for the completion of the Anderson County Park project. The agreement requires monthly interest payments and an annual principal payment due each January 20. The effective interest rate is 4.38%, and the agreement is to be paid in full by January 20, 2021. The following schedule indicates the required principal and interest payments according to the original lease agreement. The outstanding principal balance was \$785,000 as of June 30, 2006. Future principal and interest requirements are:

Fiscal Year Ended June 30	Governmental Activities	
	Principal	Interest
2007	\$ 40,000	\$ 36,112
2008	40,000	34,232
2009	40,000	32,352
2010	45,000	30,374
2011	45,000	28,259
2012-2016	255,000	107,332
2017-2021	320,000	40,028
Totals	<u>\$ 785,000</u>	<u>\$ 308,689</u>

C. Ambulance

Anderson County entered into a \$50,000 lease agreement on October 9, 2003, with the Kentucky Association of Counties Leasing Trust to purchase an ambulance. The agreement requires monthly principal and interest payments. The effective interest rate is 2.25%, and the agreement is to be paid in full by October 20, 2006. The following schedule indicates the required principal and interest payments according to the original lease agreement. The outstanding principal balance was \$5,781 as of June 30, 2006. Future principal and interest requirements are:

Fiscal Year Ended June 30	Governmental Activities	
	Principal	Interest
2007	\$ 5,781	\$ 27
Totals	<u>\$ 5,781</u>	<u>\$ 27</u>

ANDERSON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2006
(Continued)

Note 5. Long-term Debt (Continued)

D. Park Land

Anderson County entered into a \$499,000 lease agreement on January 9, 2004, with the Kentucky Association of Counties Leasing Trust to purchase park land. The agreement requires monthly principal and interest payments. The effective interest rate is 2.25%, and the agreement is to be paid in full by January 20, 2024. The following schedule indicates the required principal and interest payments according to the original lease agreement. The outstanding principal balance was \$453,402 as of June 30, 2006. Future principal and interest requirements are:

Fiscal Year Ended June 30	Governmental Activities	
	Principal	Interest
2007	\$ 19,860	\$ 22,377
2008	20,467	21,396
2009	21,092	20,344
2010	21,737	19,274
2011	22,402	18,159
2012-2016	122,695	73,096
2017-2021	142,616	39,988
2022-2024	82,533	5,960
Totals	<u>\$ 453,402</u>	<u>\$ 220,594</u>

E. Road Equipment

Anderson County entered into a \$164,981 lease agreement on January 22, 2004, with the Kentucky Association of Counties Leasing Trust to purchase road equipment. The agreement requires monthly principal and interest payments. The effective interest rate is 2.18%, and the agreement is to be paid in full by February 20, 2009. The following schedule indicates the required principal and interest payments according to the original lease agreement. The outstanding principal balance was \$91,073 as June 30, 2006. Future principal and interest requirements are:

Fiscal Year Ended June 30	Governmental Activities	
	Principal	Interest
2007	\$ 33,299	\$ 3,849
2008	34,316	2,161
2009	23,458	477
Totals	<u>\$ 91,073</u>	<u>\$ 6,487</u>

ANDERSON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2006
(Continued)

Note 5. Long-term Debt (Continued)

F. Road Equipment

Anderson County entered into a \$76,600 lease agreement on July 7, 2004, with the Kentucky Association of Counties Leasing Trust to purchase road equipment. The agreement requires monthly principal and interest payments. The effective interest rate is 2.19%, and the agreement is to be paid in full July 20, 2006. The following schedule indicates the required principal and interest payments according to the original lease agreement. The outstanding principal balance was \$3,531 as of June 30, 2006. Future principal and interest requirements are:

Fiscal Year Ended June 30	Governmental Activities	
	Principal	Interest
2007	\$ 3,531	\$ 7
Totals	<u>\$ 3,531</u>	<u>\$ 7</u>

G. Ambulances

Anderson County entered into a \$150,000 lease agreement on September 30, 2005, with the Kentucky Association of Counties Leasing Trust to purchase two ambulances. The agreement requires monthly interest payments and an annual principal payment. The effective interest rate is 3.524%, and the agreement is to be paid in full July 20, 2008. The following schedule indicates the required principal and interest payments according to the original lease agreement. The outstanding principal balance was \$150,000 as of June 30, 2006. Future principal and interest requirements are:

Fiscal Year Ended June 30	Governmental Activities	
	Principal	Interest
2007	\$ 50,000	\$ 3,671
2008	50,000	1,912
2009	<u>50,000</u>	<u>150</u>
Totals	<u>\$ 150,000</u>	<u>\$ 5,733</u>

ANDERSON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2006
(Continued)

H. Changes In Long-term Liabilities

Long-term liability activity for the year ended June 30, 2006, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental Activities:</u>					
Financing Obligations	\$ 2,607,380	\$ 150,000	\$ 235,593	\$ 2,521,787	\$ 217,471
Governmental Activities Long-term Liabilities	<u>\$ 2,607,380</u>	<u>\$ 150,000</u>	<u>\$ 235,593</u>	<u>\$ 2,521,787</u>	<u>\$ 217,471</u>

Note 6. Employee Retirement System

The fiscal court elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems. This is a cost-sharing, multiple-employer, defined benefit pension plan, which covers all eligible full-time employees and provides for retirement, disability, and death benefits to plan members. Benefit contributions and provisions are established by statute. Nonhazardous covered employees are required to contribute 5 percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 10.98 percent. Hazardous covered employees are required to contribute 8 percent of their salary to the plan. The county's contribution rate for hazardous employees was 25.01 percent.

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65. Aspects of benefits for hazardous employees include retirement after 20 years of service or age 55.

Historical trend information showing the CERS' progress in accumulating sufficient assets to pay benefits when due is presented in the Kentucky Retirement Systems' annual financial report. This report may be obtained by writing the Kentucky Retirement Systems, 1260 Louisville Road, Frankfort, KY 40601-6124, or by telephone at (502) 564-4646.

Note 7. Deferred Compensation

On February 24, 2000, the Anderson County Fiscal Court voted to allow all eligible employees to participate in deferred compensation plans administered by The Kentucky Public Employees' Deferred Compensation Authority. The Kentucky Public Employees' Deferred Compensation Authority is authorized under KRS 18A.230 to 18A.275 to provide administration of tax sheltered supplemental retirement plans for all state, public school and university employees and employees of local political subdivisions that have elected to participate.

These deferred compensation plans permits all full time employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Participation by eligible employees in the deferred compensation plans is voluntary.

ANDERSON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2006
(Continued)

Note 7. Deferred Compensation (Continued)

Historical trend information showing The Kentucky Public Employees' Deferred Compensation Authority's progress in accumulating sufficient assets to pay benefits when due is presented in The Kentucky Public Employees' Deferred Compensation Authority's annual financial report. This report may be obtained by writing Kentucky Public Employees' Deferred Compensation Authority at 101 Sea Hero Road, Suite 110, Frankfort, KY 40601-8862, or by telephone at (502) 573-7925.

Note 8. Insurance

For the fiscal year ended June 30, 2006, Anderson County was a member of the Kentucky Association of Counties' All Lines Fund (KALF). KALF is a self-insurance fund and was organized to obtain lower cost coverage for general liability, property damage, public officials' errors and omissions, public liability, and other damages. The basic nature of a self-insurance program is that of a collectively shared risk by its members. If losses incurred for covered claims exceed the resources contributed by the members, the members are responsible for payment of the excess losses.

Note 9. Prior Period Adjustments

Adjustments as noted in the following table were made to account for prior period voided checks and to correct prior period errors.

Beginning Balance - Net Assets	\$3,423,465
Adjustments:	
General Fund Balance	17,635
Road Fund Balance	1,679
Jail Fund Balance	14,917
LGEA Fund Balance	(1,681)
Capital Outlay Fund Balance	(632)
E-911 Cellular Fund Balance	5,297
Court Fine Courthouse Repair Fund Balance	(10,061)
Capital Assets	1,692,664
Accounts Receivable	(31,716)
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Restated Beginning Balance - Net Assets	<u><u>\$5,111,567</u></u>

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ANDERSON COUNTY
BUDGETARY COMPARISON SCHEDULES
Required Supplementary Information - Modified Cash Basis
For The Year Ended June 30, 2006

ANDERSON COUNTY
BUDGETARY COMPARISON SCHEDULES
Required Supplementary Information - Modified Cash Basis

For The Year Ended June 30, 2006

	GENERAL FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,390,500	\$ 1,554,500	\$ 1,600,218	\$ 45,718
Excess Fees		86,000	86,691	691
Licenses and Permits	82,000	82,000	132,788	50,788
Intergovernmental Revenue	178,500	577,000	539,333	(37,667)
Charges for Services	163,000	163,000	163,612	612
Miscellaneous	216,621	216,621	224,041	7,420
Interest	3,950	3,950	7,446	3,496
Total Revenues	<u>2,034,571</u>	<u>2,683,071</u>	<u>2,754,129</u>	<u>71,058</u>
EXPENDITURES				
General Government	571,491	783,658	765,014	18,644
Protection to Persons and Property	159,780	332,086	273,037	59,049
General Health and Sanitation	169,709	299,020	291,332	7,688
Social Services	39,125	39,125	37,707	1,418
Debt Service	47,000	47,000	45,800	1,200
Administration	853,862	1,231,278	1,031,662	199,616
Total Expenditures	<u>1,840,967</u>	<u>2,732,167</u>	<u>2,444,552</u>	<u>287,615</u>
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)	<u>193,604</u>	<u>(49,096)</u>	<u>309,577</u>	<u>358,673</u>
OTHER FINANCING SOURCES (USES)				
Transfers From Other Funds			49,515	49,515
Transfers To Other Funds	<u>(246,104)</u>	<u>(535,404)</u>	<u>(1,025,000)</u>	<u>(489,596)</u>
Total Other Financing Sources (Uses)	<u>(246,104)</u>	<u>(535,404)</u>	<u>(975,485)</u>	<u>(440,081)</u>
Net Changes in Fund Balance	<u>(52,500)</u>	<u>(584,500)</u>	<u>(665,908)</u>	<u>(81,408)</u>
Fund Balance - Beginning (Restated)	<u>52,500</u>	<u>584,500</u>	<u>600,209</u>	<u>15,709</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (65,699)</u>	<u>\$ (65,699)</u>

ANDERSON COUNTY
BUDGETARY COMPARISON SCHEDULES
Required Supplementary Information - Modified Cash Basis
For The Year Ended June 30, 2006
(Continued)

	ROAD FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental Revenue	\$ 1,010,866	\$ 1,010,866	\$ 1,050,394	\$ 39,528
Miscellaneous	20,000	20,000	25,227	5,227
Interest			792	792
Total Revenues	<u>1,030,866</u>	<u>1,030,866</u>	<u>1,076,413</u>	<u>45,547</u>
EXPENDITURES				
Roads	945,866	1,251,774	1,241,122	10,652
Debt Service	70,000	78,577	78,577	
Capital Projects	15,000	60,515	60,515	
Total Expenditures	<u>1,030,866</u>	<u>1,390,866</u>	<u>1,380,214</u>	<u>10,652</u>
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)		<u>(360,000)</u>	<u>(303,801)</u>	<u>56,199</u>
OTHER FINANCING SOURCES (USES)				
Transfers From Other Funds		360,000	310,000	(50,000)
Total Other Financing Sources (Uses)		<u>360,000</u>	<u>310,000</u>	<u>(50,000)</u>
Net Changes in Fund Balance			6,199	6,199
Fund Balance - Beginning (Restated)			925	925
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 7,124</u>	<u>\$ 7,124</u>

ANDERSON COUNTY
BUDGETARY COMPARISON SCHEDULES
Required Supplementary Information - Modified Cash Basis
For The Year Ended June 30, 2006
(Continued)

JAIL FUND				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental Revenue	\$ 41,000	\$ 41,000	\$ 80,973	\$ 39,973
Charges For Services	14,250	14,250	23,276	9,026
Total Revenues	55,250	55,250	104,249	48,999
EXPENDITURES				
Protection to Persons and Property	536,017	657,017	655,478	1,539
Total Expenditures	536,017	657,017	655,478	1,539
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)	(480,767)	(601,767)	(551,229)	50,538
OTHER FINANCING SOURCES (USES)				
Transfers From Other Funds	480,767	601,767	557,510	(44,257)
Total Other Financing Sources (Uses)	480,767	601,767	557,510	(44,257)
Net Changes in Fund Balance			6,281	6,281
Fund Balance - Beginning (Restated)			2,142	2,142
Fund Balance - Ending	\$ 0	\$ 0	\$ 8,423	\$ 8,423

ANDERSON COUNTY
BUDGETARY COMPARISON SCHEDULES
Required Supplementary Information - Modified Cash Basis
For The Year Ended June 30, 2006
(Continued)

	AEMS FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental Revenue	\$ 11,000	\$ 11,000	\$ 10,016	\$ (984)
Charges for Services	950,000	950,000	878,502	(71,498)
Miscellaneous	43,250	43,250	33,759	(9,491)
Total Revenues	1,004,250	1,004,250	922,277	(81,973)
EXPENDITURES				
General Government	1,172,127	1,093,938	1,079,488	14,450
Debt Service	85,000	163,189	163,189	
Total Expenditures	1,257,127	1,257,127	1,242,677	14,450
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)				
	(252,877)	(252,877)	(320,400)	(67,523)
OTHER FINANCING SOURCES (USES)				
Financing Obligation Proceeds			150,000	150,000
Transfers From Other Funds	252,877	252,877	137,000	(115,877)
Total Other Financing Sources (Uses)	252,877	252,877	287,000	34,123
Net Changes in Fund Balance				
			(33,400)	(33,400)
Fund Balance - Beginning			37,819	37,819
Fund Balance - Ending	\$ 0	\$ 0	\$ 4,419	\$ 4,419

ANDERSON COUNTY
BUDGETARY COMPARISON SCHEDULES
Required Supplementary Information - Modified Cash Basis
For The Year Ended June 30, 2006
(Continued)

	PARK FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 60,000	\$ 60,000	\$ 59,052	\$ (948)
Miscellaneous	14,150	14,150	18,277	4,127
Total Revenues	74,150	74,150	77,329	3,179
EXPENDITURES				
Recreation and Culture	194,495	249,677	246,767	2,910
Debt Service	229,939	232,757	203,918	28,839
Total Expenditures	424,434	482,434	450,685	31,749
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)	(350,284)	(408,284)	(373,356)	34,928
OTHER FINANCING SOURCES (USES)				
Transfers From Other Funds	350,284	408,284	590,916	182,632
Total Other Financing Sources (Uses)	350,284	408,284	590,916	182,632
Net Changes in Fund Balance			217,560	217,560
Fund Balance - Beginning			2,840	2,840
Fund Balance - Ending	\$ 0	\$ 0	\$ 220,400	\$ 220,400

ANDERSON COUNTY
BUDGETARY COMPARISON SCHEDULES
Required Supplementary Information - Modified Cash Basis
For The Year Ended June 30, 2006
(Continued)

CDBG FUND				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental Revenue	\$ 1,635,550	\$ 1,635,550	\$ 1,527,050	\$ (108,500)
Total Revenues	1,635,550	1,635,550	1,527,050	(108,500)
EXPENDITURES				
General Health and Sanitation	685,550	685,550	307,766	377,784
Capital Projects	950,000	950,000	976,071	(26,071)
Total Expenditures	1,635,550	1,635,550	1,283,837	351,713
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)			243,213	243,213
OTHER FINANCING SOURCES (USES)				
Transfers From Other Funds			12,770	12,770
Total Other Financing Sources (Uses)			12,770	12,770
Net Changes in Fund Balance			255,983	255,983
Fund Balance - Beginning				
Fund Balance - Ending	\$ 0	\$ 0	\$ 255,983	\$ 255,983

ANDERSON COUNTY
BUDGETARY COMPARISON SCHEDULES
Required Supplementary Information - Modified Cash Basis
For The Year Ended June 30, 2006
(Continued)

E-911 CELLULAR FUND				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental Revenue	\$ 36,000	\$ 36,000	\$ 67,940	\$ 31,940
Total Revenues	36,000	36,000	67,940	31,940
EXPENDITURES				
Protection to Persons and Property	36,000	58,224	46,736	11,488
Administration	170,000	147,776		147,776
Total Expenditures	206,000	206,000	46,736	159,264
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)	(170,000)	(170,000)	21,204	191,204
OTHER FINANCING SOURCES (USES)				
Transfers From Other Funds			21,070	21,070
Transfers To Other Funds			(49,003)	(49,003)
Total Other Financing Sources (Uses)			(27,933)	(27,933)
Net Changes in Fund Balances	(170,000)	(170,000)	(6,729)	163,271
Fund Balances - Beginning (Restated)	170,000	170,000	196,295	26,295
Fund Balances - Ending	\$ 0	\$ 0	\$ 189,566	\$ 189,566

ANDERSON COUNTY
BUDGETARY COMPARISON SCHEDULES
Required Supplementary Information - Modified Cash Basis
For The Year Ended June 30, 2006
(Continued)

COMMUNICATION CENTER FUND				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 240,000	\$ 240,000	\$ 150,000	\$ (90,000)
Interest			1,459	1,459
Total Revenues	240,000	240,000	151,459	(88,541)
EXPENDITURES				
Protection to Persons and Property	155,400	153,198	93,181	60,017
Debt Service	33,317	35,519	42,641	(7,122)
Total Expenditures	188,717	188,717	135,822	52,895
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)	51,283	51,283	15,637	(35,646)
OTHER FINANCING SOURCES (USES)				
Transfers From Other Funds			17,049	17,049
Transfers To Other Funds	(109,324)	(109,324)	(512)	108,812
Total Other Financing Sources (Uses)	(109,324)	(109,324)	16,537	125,861
Net Changes in Fund Balances	(58,041)	(58,041)	32,174	90,215
Fund Balances - Beginning	58,041	58,041	186,748	128,707
Fund Balances - Ending	\$ 0	\$ 0	\$ 218,922	\$ 218,922

ANDERSON COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2006

Budgetary Information

Annual budgets are adopted on a cash basis of accounting and according to the laws of Kentucky as required by the State Local Finance Officer.

The County Judge/Executive is required to submit estimated receipts and proposed expenditures to the fiscal court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the fiscal court by July 1.

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the State Local Finance Officer. Expenditures may not exceed budgeted appropriations at the activity level.

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**ANDERSON COUNTY
COMBINING BALANCE SHEET -
NON-MAJOR GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
Other Supplementary Information**

June 30, 2006

ANDERSON COUNTY
COMBINING BALANCE SHEET -
NON-MAJOR GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
Other Supplementary Information

June 30, 2006

	LGEA Fund	Court Fine Courthouse Repair Fund	Emergency 911 Fund	Park Land Acquisition Fund	AOC Escrow Fund	Total Non-Major Governmental Funds
ASSETS						
Cash and Cash Equivalents	\$ 2,561	\$ 58,693	\$ 98,791	\$ 40,221	\$ 23,815	\$ 224,081
Total Assets	<u>2,561</u>	<u>58,693</u>	<u>98,791</u>	<u>40,221</u>	<u>23,815</u>	<u>224,081</u>
FUND BALANCES						
Unreserved:						
Special Revenue Funds	2,561	58,693	98,791			160,045
Debt Service Fund					23,815	23,815
Capital Projects Fund				40,221		40,221
Total Fund Balances	<u>\$ 2,561</u>	<u>\$ 58,693</u>	<u>\$ 98,791</u>	<u>\$ 40,221</u>	<u>\$ 23,815</u>	<u>\$ 224,081</u>

The accompanying notes are an integral part of the financial statements.

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ANDERSON COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
Other Supplementary Information
For The Year Ended June 30, 2006

ANDERSON COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
Other Supplementary Information

For The Year Ended June 30, 2006

	LGEA Fund	Court Fine Courthouse Repair Fund	Emergency 911 Fund	Park Land Acquisition Fund
REVENUES				
Taxes	\$	\$	\$ 177,449	\$
Intergovernmental	111,231	74,965		
Miscellaneous				18,899
Interest				
Total Revenues	<u>111,231</u>	<u>74,965</u>	<u>177,449</u>	<u>18,899</u>
EXPENDITURES				
General Government		190,305		
Protection to Persons and Property	4,859		111,928	
Recreation and Culture	4,000			4,382
Debt Service				
Total Expenditures	<u>8,859</u>	<u>190,305</u>	<u>111,928</u>	<u>4,382</u>
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)	<u>102,372</u>	<u>(115,340)</u>	<u>65,521</u>	<u>14,517</u>
Other Financing Sources (Uses)				
Transfers To Other Funds	(170,000)			
Transfers From Other Funds		168,000		25,000
Total Other Financing Sources (Uses)	<u>(170,000)</u>	<u>168,000</u>		<u>25,000</u>
Net Change in Fund Balances	(67,628)	52,660	65,521	39,517
Fund Balances - Beginning (Restated)	70,189	6,033	33,270	704
Fund Balances - Ending	<u>\$ 2,561</u>	<u>\$ 58,693</u>	<u>\$ 98,791</u>	<u>\$ 40,221</u>

The accompanying notes are an integral part of the financial statements.

ANDERSON COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
Other Supplementary Information
For The Year Ended June 30, 2006
(Continued)

AOC Escrow Fund	Total Non-Major Governmental Funds
\$	\$ 177,449
81,132	267,328
	18,899
1,340	1,340
<u>82,472</u>	<u>465,016</u>
	190,305
	116,787
	8,382
<u>79,672</u>	<u>79,672</u>
<u>79,672</u>	<u>395,146</u>
<u>2,800</u>	<u>69,870</u>
	(170,000)
	193,000
	<u>23,000</u>
2,800	92,870
21,015	131,211
<u>\$ 23,815</u>	<u>\$ 224,081</u>

The accompanying notes are an integral part of the financial statements.

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ANDERSON COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

ANDERSON COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Fiscal Year Ended June 30, 2006

Federal Grantor		
Program Title	Pass-Through	
<u>Grant Name (CFDA #)</u>	<u>Grantor's Number</u>	<u>Expenditures</u>
Cash Programs:		
<u>U.S. Department of Housing and Urban Development</u>		
Passed Through The Department For Local Government:		
Community Development Block Grant/ State's Program (CFDA 14.228)	Not Available	<u>\$ 954,000</u>
Total Cash Expenditures of Federal Awards		<u><u>\$ 954,000</u></u>

The accompanying notes are an integral part of the financial statements.

ANDERSON COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Fiscal Year Ended June 30, 2006

Note 1 - The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Anderson County, Kentucky and is presented on a modified cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**



CRIT LUALLEN
AUDITOR OF PUBLIC ACCOUNTS

The Honorable Anthony Stratton, Former Anderson County Judge/Executive
The Honorable Steve L. Cornish, Anderson County Judge/Executive
Members of the Anderson County Fiscal Court

Report On Internal Control Over Financial Reporting And
On Compliance And Other Matters Based On An Audit Of Financial
Statements Performed In Accordance With Government Auditing Standards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Anderson County, Kentucky, as of and for the year ended June 30, 2006, which collectively comprise the County's basic financial statements and have issued our report thereon dated February 12, 2008. Anderson County presents its financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Anderson County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Anderson County's ability to record, process, and summarize. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 2006-3.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not consider the reportable condition described above to be a material weakness.



Report On Internal Control Over Financial Reporting
And On Compliance And Other Matters Based On An Audit Of Financial
Statements Performed In Accordance With Government Auditing Standards
(Continued)

Compliance And Other Matters

As part of obtaining reasonable assurance about whether Anderson County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed two instances of material noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs as items 2006-1 and 2006-2.

This report is intended solely for the information and use of management and the Department for Local Government and is not intended to be and should not be used by anyone other than the specified parties.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Crit Luallen', with a stylized, cursive script.

Crit Luallen
Auditor of Public Accounts

February 12, 2008

**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**



CRIT LUALLEN
AUDITOR OF PUBLIC ACCOUNTS

The Honorable Anthony D. Stratton, Former Anderson County Judge/Executive
The Honorable Steve L. Cornish, Anderson County Judge/Executive
Members of the Anderson County Fiscal Court

Report On Compliance With Requirements
Applicable To Each Major Program And On Internal Control
Over Compliance In Accordance With OMB Circular A-133

Compliance

We have audited the compliance of Anderson County, Kentucky, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2006. Anderson County's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Anderson County's management. Our responsibility is to express an opinion on Anderson County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Anderson County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Anderson County's compliance with those requirements.

In our opinion, Anderson County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006.

Internal Control Over Compliance

The management of Anderson County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Anderson County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.



Report On Compliance With Requirements
Applicable To Each Major Program And On Internal Control
Over Compliance In Accordance With OMB Circular A-133
(Continued)

Internal Control Over Compliance (Continued)

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Crit Luallen', with a stylized, flowing script.

Crit Luallen
Auditor of Public Accounts

February 12, 2008

ANDERSON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For The Year Ended June 30, 2006

**ANDERSON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

Fiscal Year Ended June 30, 2006

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the governmental activities, each major fund, and the aggregate remaining fund information of Anderson County, Kentucky.
2. One reportable condition relating to the internal control of the audit of the financial statements is reported in the Independent Auditor's Report.
3. Two instances of noncompliance material to the financial statements of Anderson County were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal awards programs are reported in the Independent Auditor's Report.
5. The auditor's report on compliance for the audit of the major federal awards program for Anderson County expresses an unqualified opinion.
6. There are no audit findings relative to the major federal awards program for Anderson County reported in Part C of this schedule.
7. The program tested as a major program was: Community Development Block Grant (CFDA 14.228)
8. The threshold for distinguishing Type A and B programs was \$300,000.
9. Anderson County was not determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

STATE LAWS AND REGULATIONS

2006-1 The Fiscal Court Should Have A Written Agreement With The Bank to Protect Deposits

The County maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). According to KRS 66.480(1)(d) and KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. As of June 30, 2006, the County had bank deposits of \$679,681 at one of their banks; FDIC insurance of \$100,000; and collateral pledged or provided of \$813,915. Even though Fiscal Court obtained sufficient collateral, there was no written agreement between Fiscal Court and the depository institution, signed by both parties, securing the County's interest in the collateral. We recommend Fiscal Court enter into a written agreement with the depository institution to secure the County's interest in the collateral pledged or provided by the depository institution. According to federal law, 12 U.S.C.A. § 1823(e), this agreement, in order to be recognized as valid by the FDIC, should be (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee and, (c) an official record of the depository institution.

County Treasurer's Response: *Agreed. Collateral was pledged only the agreement was absent. We have the signed agreement at present and will continually watch for this item.*

Anderson County
Schedule of Findings and Questioned Costs
Fiscal Year Ended June 30, 2006
(Continued)

B. FINDINGS - FINANCIAL STATEMENT AUDIT (Continued)

STATE LAWS AND REGULATIONS (Continued)

2006-2 The Fiscal Court Should Not Have A Negative Fund Balance

The audited financial statements for the Anderson County Fiscal Court show a \$65,699 negative cash and corresponding fund balance in the General Fund. KRS 68.110 states that a Fiscal Court shall not have expenditures in excess of revenue. The county's final quarterly report for the fiscal year showed a General Fund balance of \$30,221. During the audit, several adjustments were made to the financial statement for receipts posted to the wrong funds and for transfers between funds that were not recorded properly. The lack of adequate recordkeeping and inaccurate quarterly reports contributed to the negative fund balance. We recommend the county keep accurate records and properly prepare the quarterly reports to assure cash and corresponding fund balances remain positive to comply with this statute.

***County Treasurer's Response:** Some coding transfers and audit adjustments caused the negative balance. We discovered them after the fact, while reconciling. We intend to abide by KRS 68.110.*

REPORTABLE CONDITION

2006-3 The Fiscal Court Should Maintain Adequate Supporting Documentation For Expenditures

During testing of expenditures, six (6) invoices out of forty (40) selected for testing were missing. The missing invoices could not be tested for various internal control and compliance requirements. By not maintaining copies of all paid invoices, no support exists to verify that the expenditures were properly approved, were allowable, properly recorded or paid timely. In addition, maintaining copies of paid invoices helps ensure that invoices are not paid more than once. We recommend that the county maintain copies of all paid invoices. All invoices should be for allowable expenses that have been properly approved, paid timely and in compliance with budget and legal requirements.

***County Treasurer's Response:** ACFC will keep and file invoices for each expenditure. Filing procedures will be checked and we will watch how they are filed very carefully.*

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARDS PROGRAM AUDIT

None

D. PRIOR YEAR FINDINGS

None

**CERTIFICATION OF COMPLIANCE -
LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM**

ANDERSON COUNTY FISCAL COURT

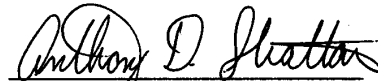
**For The Fiscal Year Ended
June 30, 2006**

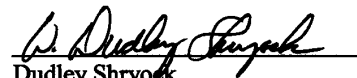
**CERTIFICATION OF COMPLIANCE -
LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM**

ANDERSON COUNTY FISCAL COURT

**For The Fiscal Year Ended
June 30, 2006**

The Anderson County Fiscal Court hereby certifies that assistance received from the Local Government Economic Assistance Fund was expended for the purpose intended, as dictated by the applicable Kentucky Revised Statutes.


Anthony Stratton
Judge Executive


Dudley Shryock
County Treasurer